

Dried Fruit Processing Project

Project Summary

Subsector

Agribusiness

Location

Kabul, Afghanistan

Project Cost

\$500,000

Project Type

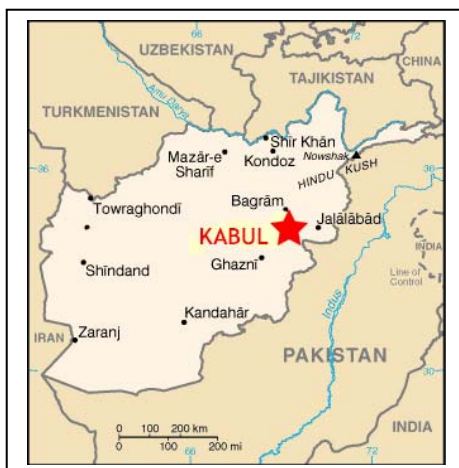
Processing Equipment, Technical and Marketing Services and Direct Investment

Project Executing Firm/Agency

Nadir Nassary Company

Funding Agency

Not Identified



Project Outline

For 25 years, the Nadir Nassary Company has been exporting dried fruit. In 2001, as a medium-sized Afghan exporter of raisins, it exported 2,000 metric tons of dried fruits processed and packaged to meet international standards. Nadir Nassary, the company president who holds a viniculture degree from Bulgaria, owns and operates the large vineyard in Shamely Province located about 40 kilometers from Kabul, the farm consists of 200 hectares and produces about 1,000 metric tons per year of sun-dried raisins. The company purchases another 30,000 metric tons of raisins from local farmers. Nassary guarantees the purchase of half of the regional production by providing neighboring farmers with fertilizer and technical assistance. He also assists those farmers by providing loans of up to \$5,000 to dig wells and purchase water pumps; he presently receives no outside assistance in this endeavor.

Raisins account for 80 percent of total employment in the region. During the Soviet occupation, Afghanistan exported 120,000 metric tons to the Soviet Union, 80,000 metric tons of that from Shamely Province. Current prices in Russia for one metric ton of Afghan raisins range from \$850 to \$1,400 during the Christmas season.

The company is seeking a strategic investor in a joint venture to establish a dried raisin-processing factory. The investor would help upgrade the finished product to ISO standards, as well as locate new export markets in Europe and the United States. The joint venture could include the existing farm.

Technical Description

Currently, the company supplies 200 metric tons per month of sun-dried raisins to Russia. Nassary believes that it would be possible to double or trip the exports to Russia. Therefore, he wants to establish a one-shift production line that would process 20 to 25 metric tons of raisins per day. If necessary, a second 8-hour shift could be implemented.

The envisioned operation would consist of:

- An industrial plot: one hectare in Kabul is available from the government at a subsidized rate.
- Buildings: four industrial buildings are required, each with an area of about 2,000 square meters for receiving raw material, processing, packaging, and fumigation, as well as a laboratory and offices.
- Equipment: raisin processing including cleaning, drying, and packaging equipment. The production line should have a capacity to process 20 to 25 metric tons per day.

Project Site

The project sponsor has received the necessary licenses from the government to establish a raisin-processing factory. This approval requires the government to provide a one-hectare industrial site in the industrial area in Kabul.

Project Status/Timeline

Nassary intends to move forward with the project in the next few months. Nassary is seeking a strategic investor that can provide export-marketing services as well as arrange meetings with U.S. suppliers of dried fruit processing equipment.

Equipment and Services

Equipment and services required for this project include:

- Production line equipment to clean and package dried raisins at a rate of five metric tons/hour

- Laboratory testing equipment to ensure ISO compliance
- Technical assistance for quality assurance
- Marketing assistance to enter new markets in Europe and the United States
- Construction of an industrial building for receiving, producing, packaging, and warehousing products

U.S. Competitiveness

Several U.S. firms are capable of supplying the equipment required for the proposed project. Nassary has a predisposition towards sourcing equipment from an American supplier.

Project Financing

The Nadir Nassary Company is actively looking for a strategic investor to participate in the project. It has access to industrial land at a subsidized rate. The promoter will contribute funding to the project, but will require further financing to realize the project.

Key Decision Makers

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